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Attorneys for Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re</b>	<b>:</b>	<b>Chapter 11 Case No.</b>
	<b>:</b>	
<b>LEHMAN BROTHERS HOLDINGS INC., et al.,</b>	<b>:</b>	<b>08-13555 (JMP)</b>
	<b>:</b>	
<b>Debtors.</b>	<b>:</b>	<b>(Jointly Administered)</b>
	<b>:</b>	
	<b>:</b>	
-----X		

**FIRST SUPPLEMENTAL AFFIDAVIT OF HARVEY R. MILLER  
ON BEHALF OF WEIL, GOTSHAL & MANGES LLP PURSUANT  
TO SECTIONS 327, 328(a), 329 AND 504 OF THE BANKRUPTCY  
CODE AND RULES 2014(a) AND 2016(b) OF THE BANKRUPTCY RULES**

STATE OF NEW YORK                    )  
  )       ss:  
COUNTY OF NEW YORK                )

Harvey R. Miller, being duly sworn, deposes and says:

1. I am a member of the firm of Weil, Gotshal & Manges LLP  
("WGM" or the "Firm"). I submit this affidavit to supplement my affidavit on behalf of  
WGM, sworn to on October 8, 2008 (the "Original Affidavit") in support of the  
engagement of WGM by Lehman Brothers Holdings Inc. ("LBHI") and certain of its  
subsidiaries (collectively "Lehman") in connection with the pending cases filed under

chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) on September 15, 2008 (the “Commencement Date”) and thereafter.

2. Unless otherwise stated herein, I have personal knowledge of the facts set forth in this affidavit. To the extent any information disclosed herein requires amendment or modification upon WGM’s completion of further review or as additional party in interest information becomes available to it, a further supplemental affidavit reflecting such amended or modified information will be submitted to the Court.

**WGM’s Connections with Parties in Interest  
in Matters Unrelated to these Chapter 11 Cases**

3. As previously disclosed, WGM has represented, currently represents, and may represent in the future, various entities or their affiliates in matters unrelated to the pending chapter 11 cases. Since filing the Original Affidavit, WGM has become aware of additional parties in interest in these chapter 11 cases with whom WGM has, or may have, connections, as described below. Most of these additional entities are Parties in Interest that WGM has included in its disclosure procedures out of an abundance of caution. Certain of the entities included in this supplemental affidavit were previously disclosed under other categories in the Original Affidavit.

4. The categories of connections are: (i) Potential Parties In Interest, or affiliates thereof, for which WGM has performed services within the last two (2) years (“Current Clients”); (ii) Potential Parties In Interest, or affiliates thereof, for which WGM has performed services in the past two (2) years and with respect to which WGM’s engagement has been formally closed (“Former Clients”); (iii) Potential Parties in Interest, or affiliates thereof, for which a WGM engagement has been active within the

past two years but no services have been performed within the last six (6) months (“Potential Clients”); and (iv) Potential Parties in Interest, or affiliates thereof, which have a substantive relationship to a matter for which WGM performed services for a Current or Former Client, or affiliate thereof (“Related Entities”) within the last two years. All client connections were diligently reviewed by an attorney working under my supervision. Based on such review, as to each connection WGM does not hold or represent an interest that is adverse to Lehman’s estates. WGM is a “disinterested person” as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, for the reasons discussed below.

**Current Clients**

5. WGM has performed services within the prior two (2) years for the Current Clients described below, or their affiliates, in matters unrelated to Lehman:

<b>Matched Entity</b>	<b>Relationship to Lehman</b>	<b>Relationship to WGM</b>
Trizec Westwood Center LLC	Landlord	Affiliate of Current Client
Teachers Insurance and Annuity Association of America	Landlord	Current Client
Deutsche Immobilien Fonds Akiengesellschaft	Landlord	Affiliate of Current Client
Deutsche Bank Securities, Inc.	Landlord	Current Client
PricewaterhouseCoopers LLP	Landlord	Current Client
Brookfield Properties One WFC Co. LLC	Landlord	Current Client
One William Street Capital Management, L.P.	Landlord	Current Client
Franklin Credit Management	Landlord	Affiliate of Current Client
Meridian Company of New York	Potential Party in Interest	Affiliate of Current Client

<b>Matched Entity</b>	<b>Relationship to Lehman</b>	<b>Relationship to WGM</b>
Compagnie Financiere Tradition SpA	Potential Party in Interest	Affiliate of Current Client
The Walt Disney Company	Potential Party in Interest	Current Client
Nomura Holdings Inc.	Potential Party in Interest	Current Client
Telecom Italia Capital S.A.	Potential Party in Interest	Affiliate of Current Client
Oracle Credit Corp.	Potential Party in Interest	Affiliate of Current Client
Travelers National Accounts	Potential Party in Interest	Affiliate of Current Client
Sprint Nextel	Potential Party in Interest	Current Client
PJM Interconnection, L.L.C.	Potential Party in Interest	Current Client
Hypo Investment Bank AG	Potential Party in Interest	Affiliate of Current Client
Pacific Gas & Electric Company	Potential Party in Interest	Affiliate of Current Client
Wachovia Bank N.A.	Potential Party in Interest	Current Client
Bank of America	Potential Party in Interest	Current Client
Dresdner Bank	Potential Party in Interest	Current Client
Bank Pekao	Potential Party in Interest	Affiliate of Current Client
Health Care Services Corp. D/B/A Blue Cross and Blue Shield of Illinois	Potential Party in Interest	Affiliate of Current Client
D.E. Shaw Composite Portfolios	Potential Party in Interest	Affiliate of Current Client
D.E. Shaw Oculus Portfolios	Potential Party in Interest	Affiliate of Current Client
Casse De Depot et Placement du Quebec	Potential Party in Interest	Current Client
GMAC LLC	Potential Party in Interest	Current Client
Investcorp	Potential Party in Interest	Current Client
Och-Ziff	Potential Party in Interest	Current Client

<b>Matched Entity</b>	<b>Relationship to Lehman</b>	<b>Relationship to WGM</b>
Aozora Bank, Ltd.	Potential Party in Interest	Current Client
WestLB AG, New York Branch	Potential Party in Interest	Current Client
Hellman & Friedman	Potential Party in Interest	Current Client
Goldman Sachs Credit Partners	Potential Party in Interest	Current Client
GS European Performance Fund Limited	Potential Party in Interest	Current Client
Wachovia Bank	Potential Party in Interest	Current Client
Calyon Securities	Potential Party in Interest	Current Client
Natixis Entities	Potential Party in Interest	Current Client
Dubai International Capital LLC	Potential Party in Interest	Current Client
HSBC Realty Credit	Potential Party in Interest	Current Client
Netapp, Inc.	Potential Party in Interest	Current Client
Asurion Corporation	Potential Party in Interest	Current Client
BRE Bank S.A.	Potential Party in Interest	Current Client
Metropolitan Transit Authority	Potential Party in Interest	Current Client
Oppenheimer Funds Inc.	Potential Party in Interest	Current Client
Bank of Nova Scotia	Potential Party in Interest	Current Client
BNY Corporate Trustee Services Ltd.	Potential Party in Interest	Current Client
Shell Energy North America (US) L.P.	Potential Party in Interest	Current Client
Shell Trading (US) Company	Potential Party in Interest	Current Client
Mitsubishi UFJ SEC Co.	Potential Party in Interest	Current Client
Goldman Sachs & Co.	Potential Party in Interest	Affiliate of Current Client

<b>Matched Entity</b>	<b>Relationship to Lehman</b>	<b>Relationship to WGM</b>
GE Corporate Financial Services, Inc.	Potential Party in Interest	Affiliate of Current Client
Templeton Global	Potential Party in Interest	Affiliate of Current Client
Franklin Lincoln National Corporation	Potential Party in Interest	Affiliate of Current Client
Lincoln Variable insurance	Potential Party in Interest	Affiliate of Current Client
AT&T Inc.	Potential Party in Interest	Affiliate of Current Client
PricewaterhouseCoopers LLC	Potential Party in Interest	Current Client
Genworth Financial, Inc.	Potential Party in Interest	Current Client
CSX Transportation, Inc	Potential Party in Interest	Affiliate of Current Client
Citigroup, Inc.	Potential Party in Interest	Current Client
Vanguard Car Rental USA	Potential Party in Interest	Current Client
Archstone	Potential Party in Interest	Current Client
CIFG N.A.	Potential Party in Interest	Affiliate of Current Client
TPG – Austin Portfolio Holdings LLC	Potential Party in Interest	Affiliate of Current Client
Northrop Grumman	Potential Party in Interest	Current Client
First Trust Advisors L.P.	Potential Party in Interest	Affiliate of Current Client
Elliot Associates L.P.	Potential Party in Interest	Current Client
AIG Financial Products Corp.	Potential Party in Interest	Affiliate of Current Client
Bank of America Mellon	Potential Party in Interest	Affiliate of Current Client
Cisco Systems Capital Corporation	Potential Party in Interest	Affiliate of Current Client
Clearwater Capital Partners	Potential Party in Interest	Current Client
EMC Corporation	Potential Party in Interest	Current Client

<b>Matched Entity</b>	<b>Relationship to Lehman</b>	<b>Relationship to WGM</b>
GM Canada Foreign Trust	Potential Party in Interest	Affiliate of Current Client
GMAM Investment Funds Trust	Potential Party in Interest	Affiliate of Current Client
NYSE Euronext Inc.	Potential Party in Interest	Affiliate of Current Client
SunGard Institutional Brokerage, Inc.	Potential Party in Interest	Current Client
TD Security	Potential Party in Interest	Affiliate of Current Client
Time Warner	Potential Party in Interest	Current Client
Clifford Chance	Largest Holders of Trade Debt	Current Client
ANZ Banking Group Limited	Largest Holders of Trade Debt	Affiliate of Current Client
BT Americas, Inc.	Largest Holders of Trade Debt	Affiliate of Current Client
BancTec Ltd.	Largest Holders of Trade Debt	Affiliate of Current Client
Ernst & Young Private Limited	Largest Holders of Trade Debt	Affiliate of Current Client
HSBC Bank	Largest Holders of Trade Debt	Affiliate of Current Client
Microsoft Licensing, GP	Largest Holders of Trade Debt	Affiliate of Current Client
NYSE Market, Inc.	Largest Holders of Trade Debt	Affiliate of Current Client
Reuters America and Reuters Ltd.	Largest Holders of Trade Debt	Affiliate of Current Client
Standard Chartered Bank	Largest Holders of Trade Debt	Affiliate of Current Client
SunGard Securities Finance Ltd.	Largest Holders of Trade Debt	Affiliate of Current Client
Dechert LLP	Professionals Retained by the Company	Current Client
Paul, Hastings, Janofsky & Walker LLP	Professionals Retained by the Company	Current Client
Schulte, Roth & Zabel	Professionals Retained by the Company	Current Client
Alvarez & Marsal North America, LLC	Professionals Retained by the Company	Current Client

<b>Matched Entity</b>	<b>Relationship to Lehman</b>	<b>Relationship to WGM</b>
Lazard Freres & Co.	Professionals Retained by the Company	Current Client
Houlihan Lokey Howard & Zukin Capital, Inc	Professionals Retained by Significant Creditor Group	Affiliate of Current Client
Securities Investor Protection Corporation	Litigation Claimant	Current Client
Deutsche Bank AG	Litigation Claimant	Current Client
Bank of America, N.A.	Litigation Claimant	Current Client
Bank of America Securities LLC	Litigation Claimant	Current Client
BP Energy Company & BP Corporation North America Inc.	Litigation Claimant	Affiliate of Current Client
Syncora Holdings Ltd.	Contract Counterparty	Current Client
CIFG N.A.	Contract Counterparty	Current Client
Chiomenti Studio Legale	Derivative Counterparty	Affiliate of Current Client
Ogier Trustees Jersey Limited	Derivative Counterparty	Current Client
Natixis Environment & Infrastructures	Derivative Counterparty	Affiliate of Current Client
West Corporation	Derivative Counterparty	Current Client
AIG CDS, Inc.	Derivative Counterparty	Affiliate of Current Client
Deutsche Bank Trust Company Americas	Derivative Counterparty	Current Client
Aircraft Finance Trust	Derivative Counterparty	Current Client
Chevron U.S.A. Inc.	Derivative Counterparty	Affiliate of Current Client
Deutsche Bank National Trust Company	Derivative Counterparty	Affiliate of Current Client
Deloitte & Touche USA LLP	Derivative Counterparty	Affiliate of Current Client
Cyrus Capital Partners, L.P.	Informal LBHI Bond Holders Group	Current Client
York Capital Management	Informal LBHI Bond Holders Group	Affiliate of Current Client



6. WGM has not, does not, and will not represent any of the Current Clients or their respective affiliates or subsidiaries in connection with the pending chapter 11 cases or in any other matters adverse to Lehman.

**Potential Clients**

7. WGM has determined that the following Parties In Interest or their affiliates are Potential Clients:

<b>Matched Entity</b>	<b>Relationship to Lehman</b>	<b>Relationship to WGM</b>
Duke Energy Ohio, Inc.	Potential Party in Interest	Potential Client
Meridian Company of New York	Potential Party in Interest	Potential Client
Kraft Foods Inc.	Potential Party in Interest	Potential Client
Lloyds Bank	Potential Party in Interest	Potential Client
TransCanada Pipelines Limited	Potential Party in Interest	Potential Client
Momo-O Matsuo & Namba	Professionals Retained by the Company	Potential Client
State Street Bank & Trust Company	Litigation Claimant	Potential Client
Aegon USA Investment Management	Committee Member	Affiliate is a Potential Client
Metavante Corporation	Derivative Counterparty	Potential Client

8. To the extent any additional Potential Clients become Potential Parties In Interest during the pendency of these chapter 11 cases, WGM will make the appropriate supplemental disclosures to the Court.

**Former Clients**

9. WGM has determined that, at this time, the following Parties In Interest or their affiliates are Former Clients:

<b>Matched Entity</b>	<b>Relationship to Lehman</b>	<b>Relationship to WGM</b>
Sun Trust Bank Inc.	Potential Party in Interest	Former Client
Cascade Investment LLC	Potential Party in Interest	Former Client
Allen & Overy LLP	Potential Party in Interest	Former Client
Piper Jaffray and Co.	Potential Party in Interest	Former Client

10. To the extent any additional Former Clients become Potential Parties In Interest during the pendency of these chapter 11 cases, WGM will make the appropriate supplemental disclosures to the Court.

#### **Related Entities**

11. WGM had determined that the following Parties In Interest or their affiliates are Related Entities:

<b>Matched Entity</b>	<b>Relationship to Lehman</b>	<b>Relationship to WGM</b>
National Union Fire Insurance Company of Pittsburg, PA	Landlord	May be Related to Current Client
R3 Capital Management, L.P.	Landlord	May be Related to Current Client
Wasserstein Perella Group Holdings, LLC	Landlord	May be Related to Current Client
Level 3 Communications, LLC	Landlord	May be Related to Current Client
First Commercial Bank, Ltd.	Potential Party in Interest	May be Related to Current Client
First Trust Portfolio L.P.	Potential Party in Interest	May be Related to Current Client
Compagnie Financiere Tradition SpA	Potential Party in Interest	May be Related to Current Client
Commerzbank AG	Potential Party in Interest	May be Related to Current Client
U.S. Bank National Association	Potential Party in Interest	May be Related to Current Client
Evergreen Municipal Trust	Potential Party in Interest	May be Related to Current Client

Westport Capital Management	Potential Party in Interest	May be Related to Current Client
Blackrock Financial Management	Potential Party in Interest	May be Related to Current Client
Chicago Mercantile Exchange	Potential Party in Interest	May be Related to Current Client
NASDAQ OMX	Potential Party in Interest	May be Related to Current Client
Thomas Cook AG	Potential Party in Interest	May be Related to Current Client
Total Gas & Power Limited	Potential Party in Interest	May be Related to Current Client
AIM Advisors	Potential Party in Interest	May be Related to Current Client
AON Consulting	Potential Party in Interest	May be Related to Current Client
U.S. Securities and Exchange Commission	Potential Party in Interest	May be Related to Current Client
Regions Bank	Potential Party in Interest	May be Related to Current Client
RWE AG	Potential Party in Interest	May be Related to Current Client
Tata Consultance Services Ltd.	Potential Party in Interest	May be Related to Current Client
American Express Company	Potential Party in Interest	May be Related to Current Client
ARG Funding Corp.	Potential Party in Interest	May be Related to Current Client
Deere and Company	Potential Party in Interest	May be Related to Current Client
R3	Potential Party in Interest	May be Related to Current Client
Australia National Bank	Potential Party in Interest	May be Related to Current Client
The British Land Company	Largest Holders of Trade Debt	May be Related to Current Client
First Commercial Bank Co., Ltd., New York Agency	Largest Holders of Trade Debt	May be Related to Current Client
DnB Nor Bank ASA	Largest Holders of Trade Debt	May be Related to Current Client
Bank One Plaza	Largest Holders of Trade Debt	May be Related to Current Client
Alliance Bernstein L.P.	Informal Bond Holders Group	May be Related to Former Client

Skadden, Arps, Slate, Meagher & Flom LLP	Professionals Retained by the Company	May be Related to Current Client
Lexington Insurance Company	Derivative Counterparty	May be Related to Current Client

12. To the extent any additional Related Entities become Potential Parties In Interest during the pendency of these chapter 11 cases, WGM will make the appropriate supplemental disclosures to the Court.

13. In addition, as a global corporate law firm, the majority of WGM's clients have issued debt securities. In some cases Lehman may hold – directly or through a participation – a portion of such debt. In such situations, a third party is typically agent or trustee for the debt issued by the WGM client. WGM will continue to represent these companies in matters unrelated to the Debtors' chapter 11 cases, but will not represent such entities in any litigation directly against Lehman.

#### **WGM Personnel Inquiry**

14. WGM has conducted a general inquiry of its personnel to determine whether any WGM personnel or any member of his or her household (i) owns any debt or equity securities of Lehman; (ii) holds a claim against Lehman; or (iii) is or was an officer, director, or employee of Lehman. The results of the inquiry are:

- (i) Nine WGM employees or their family members owned equity in Lehman. Each of these employees has received a written request from WGM to divest their interest. Each WGM employee has complied with this request.
- (ii) One WGM employee in the Firm's Budapest office holds bonds with an approximate face value of 70,000 EUR issued by Lehman

Brothers Treasury Co. B.V., a nondebtor entity that was put into bankruptcy proceedings by the Amsterdam District Court and with respect to which an independent trustee (curator under local law) has been appointed. There is currently no active market for the bonds. Pursuant to a discussion with the Office of the United States Trustee, the employee may continue to hold these bonds.

- (iii) Two current WGM attorneys were employed by Lehman within the past two years. Each attorney has performed services in connection with the representation of Lehman.
- (iv) After retiring from WGM, one former partner served as an independent director for Finance America Inc., which was 80% owned by Lehman at the time of his directorship. He also served as an independent director for the Hudson Castle Group, a financial services company in which Lehman held a significant interest. He resigned from both boards several years ago and does not have an interest in Lehman.
- (v) A WGM employee is married to a current employee of Lehman.

15. Andrea A. Bernstein, a WGM partner, is married to Chief Judge Stuart M. Bernstein of the United States Bankruptcy Court for the Southern District of New York.

16. It should be noted that WGM has a long-standing policy prohibiting all lawyers and support staff from using any confidential information that may come to their attention in the course of their work. All personnel are barred from trading in securities as to which they were exposed to confidential information.

17. WGM will continue to apply the Firm Disclosure Procedures as additional information concerning entities having a connection with the Lehman is developed and will file appropriate supplemental disclosure concerning same.

**WGM's Representation of Barclays Capital Inc.**

18. WGM historically represented LBHI and a number of its subsidiaries, including Lehman Brothers Inc. ("LBI") and Lehman Commercial Paper Inc. ("LCPI"), in a range of transactions. The representations at issue involve transactions in which certain Lehman divisions provided investment banking services to third parties. These former divisions of Lehman are now owned by Barclays Capital Inc. ("BarCap") as a result of the acquisition by BarCap of assets of Lehman that was approved on September 19, 2008<sup>1</sup> (the "Acquisition"). As a result of WGM's historic engagement and particular knowledge and expertise as to a number of such matters, BarCap has requested that WGM be retained to perform services in connection with such matters going forward. These representations are broadly characterized as: (1) bank agency representations, (2) ad hoc steering group representations, (3) underwriters' counsel representations, and (4) M&A counsel representations, as described below.

- **Bank Agency Representations** Bank agency representations involved WGM providing advice to LCPI in its role as administrative agent of a credit facility for third party borrowers. The borrower under the various credit agreements is responsible for WGM's fees and expenses in connection with work done under the credit agreements. Currently, LCPI is continuing to serve as agent in these matters; however, LCPI may find suitable replacement agents for some or all of these roles, one of whom may be BarCap. If WGM is restricted from continuing to represent BarCap as a newly appointed administrative agent, the borrower and BarCap could be prejudiced by having to obtain and rely on new counsel who will not be familiar with the credit agreement terms, the history of the negotiations

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<sup>1</sup> Docket No. 258.

involving the credit agreement and the borrower's business circumstances, and would also have to recreate due diligence that WGM undertook at the outset of the engagement and has maintained over time, in each case imposing potentially significant delays and costs to the detriment of the transaction and the interests of the parties.

- **WGM's Representation of Ad Hoc Steering Groups** As described above, LCPI is administrative agent and lender for a number of credit facilities for third party borrowers. These credit facilities are typically syndicated to a group of lenders. The borrower under the various credit agreements is responsible for the fees and expenses of counsel in connection with work done under the credit agreements. When the borrower becomes financially distressed, an ad hoc steering group of the lenders that may include LCPI typically either retains current counsel to the administrative agent or hires new counsel. WGM has been retained as counsel in a number of these matters.
- **Underwriters' Counsel Representations** Underwriters' counsel representations are similar to bank agency representations, except that these representations relate to one or more underwriters in connection with a public or private offering of securities by an issuer. In situations in which the issuer has designated WGM as underwriters' counsel, WGM has agreed with the issuer that it will serve as counsel to whichever financial institution the issuer selects to lead future securities offerings. WGM has undertaken a significant amount of due diligence so that it is able to deliver customary legal opinions and negative assurance letters on very short notice, which allows the issuer to quickly tap into the capital markets, regardless of which underwriter(s) that issuer selects.

WGM also represents underwriters in many offerings in which WGM was retained in such capacity by other of its clients. Issuers will often include a number of non-managing underwriters that participate in a syndicate (which could include BarCap), but who are not responsible for decisions as to which counsel the syndicate utilizes as underwriters' counsel. In each of these cases, WGM's inability to continue to serve as underwriters' counsel would impose potentially significant delays and costs.

Examples of the foregoing underwriters counsel representations are listed in the chart below:

Barclays Entity	Counter-Party
BarCap	Hanger Orthopedic Group, Inc.
BarCap	Israel Electric Corp.

- **Mergers & Acquisition Representations** LBI has been retained in the past to render advice and, under certain circumstances, fairness opinions in connection

with various public and private mergers and acquisitions. In these matters, WGM will typically review and advise LBI with respect to matters of applicable Delaware or other state corporate law, public disclosure of any fairness opinions rendered and related matters relating to this undertaking. With regard to one pending matter, having to engage new counsel to address questions that may arise with respect to the letter that was issued in connection with this matter and that has been signed and is awaiting stockholder approval, would require BarCap to engage counsel wholly unfamiliar with the companies, the process to date, and the underlying analysis with respect to which the letter issued.

Examples of the foregoing mergers and acquisition representations are listed in the chart below:

<b>Barclays Entity</b>	<b>Counter-Party</b>
BarCap	Confidential Matter
BarCap	Sprint / Clearwire

19. Situations have arisen, and will continue to arise, in which individual investment bankers employed by BarCap, who may or may not be former employees of Lehman, have requested that WGM be employed for particular transactions because of its expertise and knowledge of the issuer or its industry. The ability to represent BarCap in such investment banking transactions unrelated to the Acquisition or these cases is critical to WGM being able to preserve and expand its expertise and knowledge in this area, and provide employment opportunities to attorneys and support staff. WGM has developed a deep understanding of a full range of investment banking transactions through years of representing financial institutions. This experience contributes significantly to its ability to effectively and efficiently represent all of its clients.

20. WGM's engagement in these matters is wholly unrelated to its representation of Lehman in the chapter 11 cases. WGM will not represent BarCap or its



affiliates or subsidiaries in Lehman's chapter 11 cases or in other matters adverse to Lehman.

**WGM's Representation of Barclays Bank plc**

21. WGM's London office has historically represented Barclays Bank plc, BarCap's parent company, in securitization transactions. Those representations were and are wholly unrelated to the Acquisition.

- **Existing Barclays Bank plc Engagements** As with the matters discussed above, in matters in which Barclays Bank plc is the issuer of the applicable securities, Barclays Bank plc could be significantly prejudiced by an inability to engage and rely on WGM, one of its historic corporate counsels, in connection with these repeating transactions. Moreover, the same is true with regard to matters in which WGM represented Barclays Bank plc with respect to facilities that require WGM to be available on an on-going basis with regard to future issuances by third parties under facilities that Barclays Bank plc and WGM negotiated, prepared and administer.

Examples of the foregoing Barclays Bank plc engagements are listed in the chart below:

<b>Issuing Bank</b>	<b>Counter-Party</b>
Barclays Bank plc	Gracechurch Mortgage Funding
Barclays Bank plc	Gracechurch Card Funding
Barclays Bank plc	Barclays UK covered bond programme
Barclays Bank plc	Newcastle Building Society
Barclays Bank plc	Alliance & Leicester
Barclays Bank plc	Bradford & Bingley
Barclays Bank plc	RMS 23
Barclays Bank plc	Various securitization issuers

22. WGM's engagements in the above matters are wholly unrelated to its representation of Lehman in its chapter 11 cases. WGM will not represent Barclays Bank plc or its affiliates or subsidiaries in Lehman's chapter 11 cases or in other matters adverse to Lehman.

**WGM's Representation of Lehman Real Estate Private Equity Funds**

23. LBHI, through its direct and / or indirect subsidiaries, holds general and limited partnership interests in numerous private equity funds. The funds include Lehman Brothers Real Estate Partners, L.P., Lehman Brothers Real Estate Partners II, L.P., Lehman Brothers Real Estate Partners III, L.P., and Lehman Brothers Real Estate Mezzanine Partners, L.P., Lehman Brothers Real Estate Mezzanine Partners II, L.P. (collectively the "Funds"). Three of the Funds, Lehman Brothers Real Estate Partners, L.P., Lehman Brothers Real Estate Partners II, L.P., Lehman Brothers Real Estate Partners III (collectively, the "LEBREP Funds") are primarily engaged in making commercial real estate equity investments while the other two, Lehman Brothers Real Estate Mezzanine Partners, L.P. and Lehman Brothers Real Estate Mezzanine Partners II, L.P. (together, the "LEBREM Funds"), are primarily engaged in making mezzanine loans to entities that own commercial real estate.

24. The Funds are generally represented by independent attorneys.

25. Prior to the Commencement Date, WGM represented the Funds pursuant to special engagements as to numerous real estate related matters (the "Prepetition Representations"). As a result of the Prepetition Representations, WGM has accumulated particular knowledge and expertise as to the Funds' businesses and the markets in which they operate. The Funds have requested that WGM continue to be retained to perform services in connection with such special engagements (collectively the "Postpetition Representations," and together with the Prepetition Representations, the "Representations"). A representative group of the Postpetition Representations are summarized below:

- **Novare Loan** WGM represents the Funds in regard to issues related to a \$50 million corporate loan and a \$30 million mezzanine loan to the Novare Group and its affiliates and subsidiaries.

- **Sweetwater Investment** WGM represents the Funds in regard to issues related to an equity investment in real property located near Austin, Texas.
- **Engel Group Investment** WGM represents the Funds in regard to issues related to an investment in real property located in Montreal, Canada.
- **Toy Building** WGM represents the Funds in regard to issues related to an equity investment in real property located at 200 Fifth Avenue, New York, NY.
- **220 East 63rd St** WGM represents the Funds in regard to issues related to an equity investment in real property located at 220 East 63rd St., New York, NY.

26. In addition, WGM represents the Debtors in a potential private sale of its interests as both a limited and general partner of the Funds (the “Fund Sale”). Specifically, WGM has overseen two rounds of diligence and bidding involving more than 25 potential buyers (including the current LEBREP management team), managed data rooms, negotiated confidentiality agreements with bidders, reviewed and advised on marketing materials used during the sale process, conducted diligence on the Funds and their investments, developed and counseled on proposed structures for potential transactions, assisted Lehman in analyzing the consequences to the Funds of the LBHI bankruptcy, analyzed threatened litigation and provided counsel on same, and drafted and negotiated transactional documents.

27. WGM will not represent the Funds in matters adverse to Lehman. If WGM is restricted from continuing the Postpetition Representations, including the Fund Sale, the Debtors and / or the Funds, could be prejudiced by having to obtain and rely on new attorneys who will not be familiar with the relevant transactions, the history of the negotiations involving the transactions and the business circumstances that necessitated the transactions, in each case imposing potentially significant delays and costs to the detriment of the transactions and the interests of the Debtors and the Funds.

28. With respect to the Prepetition Representations, WGM's fees may have been paid by the counterparties to the relevant transactions. To the extent that such counterparties do not pay WGM's fees, WGM has the right to look to the Funds for payment. WGM will, in the first instance, attempt to collect outstanding amounts from such counterparties. However, to the extent that WGM is unable to collect such fees from such counterparties, WGM reserves the right to look to the Funds for payment.

29. WGM's engagements in the above matters are wholly unrelated to its representation of Lehman in its chapter 11 cases.

#### **WGM's Fees**

30. As disclosed in the Original Affidavit, WGM received an advance of \$5 million (the "Retainer") from Lehman prior to the Commencement Date on account of professional services to be performed and out of pocket expenses in relation to Lehman's potential restructuring, financial distress, and the commencement of its chapter 11 cases. WGM has conducted a preliminary reconciliation of additional recorded time and expense charges. As of the date hereof, in connection with the Retainer, there remains a credit balance in favor of Lehman in the approximate amount of \$4,422,608.80 that may be applied for additional professional services performed and to be performed and expenses incurred and to be incurred in connection with the prosecution of the pending chapter 11 cases. WGM is engaged in further reconciliation of additional recorded time and expense charges in relation to services performed and expenses incurred prior to the Commencement Date. To the extent that such reconciliation results in further charges, WGM will file an appropriate supplemental disclosure.

31. In addition, as stated in the Original Affidavit, in the regular course of its business WGM adjusted its billing rates for associates and paraprofessionals in November, 2008. The current customary hourly rates in our U.S. offices, subject to change from time to time, are \$650 to \$950 for members and counsel, \$355 to \$640 for associates and \$155 to \$310 for paraprofessionals. Hourly rates in our overseas offices, subject to change from time to time, are \$675 to \$1,170 for members, and \$305 to \$900 for associates.

32. Prior to the Commencement Date, as is common in certain engagements, WGM was engaged on Lehman's behalf to provide services for Lehman but to be paid by third parties. As of the Commencement Date, certain of those third parties still owed amounts on account of the services performed. WGM will continue to collect outstanding amounts from such third parties solely to the extent that such third parties do not have claims against Lehman's estates for payment of WGM's fees. These third parties are:

- The Refinery LLC
- Novare Group Holdings, LLC

33. WGM does not hold or represent an interest that is adverse to Lehman's estates, and WGM is a "disinterested person" as such term is defined in section 101(14) of the Bankruptcy Code.

34. The foregoing constitutes the first supplemental statement of  
WGM pursuant to section 327 of the Bankruptcy Code and Bankruptcy Rule 2014(a).

Dated: March 4, 2009  
New York, New York

/s/ Harvey R. Miller  
Harvey R. Miller, A Member of the Firm

Sworn to and subscribed before me, a notary public for the State of New York,  
County of New York, this 4th day of March, 2009.

/s/ Kathleen Anne Lee  
Notary Public

Notary Public, State of New York  
No. 01LE6119251  
Qualified in New York County  
Commission Expires: November 29, 2012